GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1906
ANSWERED ON:03.08.2000
NON-PAYMENT OF DUES OF SEB TO COAL
BRAJ MOHAN RAM

Will the Minister of POWER be pleased to state:

(a) whether the Coal Companies have decided to discontinue the supply of coal to SEBs due to non-payment of their dues and have demanded the minimum prescribed amount for the supply of coal;

(b) whether this decision of Coal Companies has adversely affected the SEBs;

(c) the details of the dues till June, 2000; and

(d) the action taken by the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a): In order to enforce financial discipline, coal companies are strictly following `Cash and Carry` scheme w.e.f. 1.11.1998 for supply of coal to power stations. Under this scheme, coal companies have to be paid in advance equivalent to 90% of the value of coal plus 100% of royalty, transportation charges etc. and statutory levies. Coal companies make efforts to recover the outstanding dues through negotiations with consumers. However, in certain cases of lack of response from defaulters, coal supply is regulated with prior intimation to the concerned party and the State Governments.

(b): By and large, coal supply to various thermal power stations has been satisfactory. However, discontinuance/ regulation in coal supply affects the power stations leading to a critical level of coal stock.

(c) & (d): According to the Coal India Ltd., the total outstanding dues payable to coal companies are Rs.5614.33 crores as on 30th June, 2000 out of which Rs.1806.3 crores are disputed. The following steps have been taken by the Government/Coal India Limited to recover the outstanding dues from the State Electricity Boards:

(i) Coal India Limited (CIL) has been advised to supply coal to power utilities only against advance payment or letter of credit.

(ii) CIL and its subsidiary coal companies have been persistently following up with the consumers in diverse sectors for settlement of dues.

(iii) Recovery of dues by way of adjustment against power bills is also being done in respect of certain power utilities.

(iv) Umpires have been appointed for resolving the disputed dues between the coal companies and SEBs.

(v) Government has also decided to deduct the outstanding dues of CIL as on 31.12.1996 through the mechanism of diversion from the Central Plan Assistance of the State Governments, subject to a ceiling of 15%.